

Comparison With Duties Under the Old Law.

BILL JUST PASSED BY CONGRESS

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Full and Exact Copy of the Schedule of
Rates—Designed to Take Effect Aug. 1
1894—The Complete Free List—Text of
the Income Tax.

FREE LIST UNDER THE PRESENT LAW.

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THE INCOME TAX

Sec. 54. That from and after Jan. 1, 1936, and until Jan. 1, 1937, there shall be assessed, levied, collected and paid annually upon the gains, profits and income received in the preceding calendar year by every citizen of the United States, whether residing at home or abroad, the sum of one per centum of the net (whether said gains, profits or income be derived from any kind of property, rents, interest, dividends or salaries, or from any profession, trade or business, or from any source whatever in the United States or elsewhere, or from any other source whatever, a tax of one per centum on the amount so derived, over and above \$1,000, and a like tax shall be levied, collected and paid annually upon the net (whether said income be from all property owned, and of every business, trade or profession carried on in the United States by persons residing within or without the United States, or from any source whatever) or shall be assessed by the commissioner or internal revenue and collected and paid upon the gains and profits and income for the year ending Dec. 31 next preceding the time for which the tax is assessed.

10. In estimating the income of a person there shall be included all income derived from interest upon notes, bonds and other securities, except such bonds of the United States, the principal and interest of which are exempt from Federal taxation; profits realized within a year from sales of real estate purchased within two years previous to the close of the year for which income is estimated; interest on mortgages or other forms of indebtedness bearing interest, whether paid or not, if good and collectible, less the interest which has become due from said person or which has been paid by him during the year; the amount of interest on bonds, notes and mortgages; the amount of sales of livestock, sugar, cotton, wool, butter, sheep, pork, beef, mutton or other animals; the amount of sales of other products of the farm, being the growth or produce of the person; the amount of sales of the produce of such person, less the amount expended in the production of such produce, and not including any part thereof consumed directly by the family; money and the value of the person's property, including all other gains, profits and income derived from any source whatever except that portion of the person's income derived from services in the civil, military, naval or other service of the United States, including senators, representatives

any law to withhold, and does, withhold the same, and pays the same to the officer authorized to receive it. In computing incomes the necessary and proper expenses incurred by the taxpayer in any business, occupation or profession shall be deducted and also all interest due on any debt within the year by such taxpayer on trading indebtedness. And all national, state, county, school and municipal taxes not including those assessed against local benefits, shall be deducted from the gross income and the gains, profits or income of the person who has actually paid the same, whether such person be owner, tenant, contractor or otherwise, actually sustained during the year, incurred in trade or arising from fire, storms or shipwreck and not compensated for by insurance or otherwise, and the value of the property, worthless, but excluding all estimated depreciation of value and losses within the year on any property, shall be deducted from the gross returns to the year for which income is estimated.

Provided, That no deduction shall be made for any amount paid out for new buildings, or for the cost of repairs or for the cost to increase the value of any property or estate.

Provided further, That only one deduction shall be allowed for the salary of any one of the members of any family, composed of one or both parents, and one or more children, or of one or more parents and one or more children, or of one or more guardians shall be allowed to make a deduction in favor of each and every ward, except in the case of a child who is not supported in his family and have joint property interests, the aggregate deduction in their favor shall not exceed the rate of \$4,000 per annum; and that, in case where the salary or other compensation paid to any person in the employment of the company shall exceed the rate of \$4,000 per annum, or shall be by fees, or uncertain or irregular in the amount, or shall be for services rendered, shall have accrued or been earned, such salary or other compensation shall be included in the annual gross income of the employee, and the same shall have been paid, and shall include that portion of the salary or other compensation which a tax has been paid by the employer, where the employer is required by law to pay on the excess over \$4,000 provided also, that in computing the annual gross income of the employee or company or association, there shall not be included the amount received from any corporation, partnership, or association, in which the stock of such corporation, company or association, if the tax of 2 per cent has been paid on the salary or other compensation of such company or association as required by this act.

Sec. 56. That it shall be the duty of all persons of lawful age having an income of more than \$300.00 for the taxable year, computed on the basis herein prescribed, to make and render a list or return of their income, gains and profits, as herein provided, in the manner and form hereinafter provided by law, in such form and manner as may be directed by the commissioner of internal revenue, and to deliver the same to the collector of the treasury, to the collector or a deputy collector of the district in which they reside, or the amount of their income, gains and profits shall be ascertained by the collector or deputy collectors, executors, administrators, agents, receivers and all persons or corporations acting in any such capacity, or by the collector or deputy collector or return, as aforesaid, to the collector or a deputy collector of the district in which such person acting in a fiduciary capacity is residing, or the amount of their income, gains and profits of any minor or person for whom they act, but perjury shall be made and render such list or return, and the collector or deputy collector shall require every person or corporation to swear, under the oath or affirmation of the party, before delivering it, and may increase the amount of any list or return if he has reason to believe that the list or return is fraudulent, and if such person having a taxable income shall neglect or refuse to make and render such list or return, or shall make and render a fraudulent list or return, it shall be the duty of the collector or deputy collector to make such list, according to the best information he can obtain, and to add thereto 50 per cent of any other evidence and to add 50 per cent as a penalty to the amount of the tax due on such list or return, and to add 50 per cent refusal to make and render a list or return, and in all cases of a willfully false or fraudulent list or return having been rendered to add thereto 50 per cent of the amount of tax ascertained to be due, the tax and the additions thereto as a penalty to be assessed and collected, and in all cases of willful neglect or refusal to render a list or return or of rendering a false or fraudulent list or return.

Provided, That any person or corporation in his, her, or its own behalf, or as such fiduciary shall be permitted to declare, under oath or affirmation, that he or it is not liable to be taxed, and shall be prescribed by the commissioner of internal revenue, with the approval of the secretary of the treasury, that such person or corporation or beneficiary was not possessed of an income of \$400.00 liable to be assessed according to the provisions of this act, or may declare that he or she, she or it, or his, her or its income or beneficiary has been assessed and has paid an income tax elsewhere in the same year, unless he or she, she or it, or his, her or its income, gains, or profits, and upon all the income, gains or profits for which he or she, she or it, or his, her or its income, gains, or profits, are liable, as herein prescribed by law; and if the collector or deputy collector shall be satisfied of the truth of the declaration, such person or corporation shall nevertheless be liable to be assessed for the said district for that year; or if the list or return of any person or corporation, company or association, or of any executor, administrator, collector or deputy collector, such person or corporation, company or association may be made and rendered, and the collector or deputy collector shall be satisfied that the same is true, but such proof shall not be considered as conclusive of the facts, and no deductions claimed in such cases shall be made therefrom, and the collector or deputy collector.

Any person or corporation, company or association who or which is liable to be assessed, or a deputy collector in such cases may appeal to the collector of the district, and his decision thereon may be appealed to the commissioner of internal revenue, the same shall be final. If dissatisfied with the decision of the collector such person or corporation, company or association may appeal to the commissioner of internal revenue for his decision, and may furnish the testimony of witnesses in support of his appeal, and may serve notice to that effect upon the commissioner of internal revenue, as herein prescribed. The appeal shall be taken at the place and within the time specified, and the place at which, and the officer before whom the appeal money will be taken; the name, age, residence and business of the proposed witness, with the names and residences of the witnesses, and a brief statement of the substance of the testimony he is expected to give. Provided, that the appeal shall be taken at the place and place take testimony upon like notice to rebut the testimony of the witnesses examined by

the person taxed, or the collector, be delivered or mailed to the commissioner of internal revenue a sufficient number of days previous to the day fixed for the payment of the tax, as to be received after its receipt at least five days, exclusive of the period required for mail communication with the collector, before the day fixed for the payment, in which to give should he so desire, instructions as to the cross examination of the returns.

Whenever practicable, the affidavit or deposition shall be taken before a collector or deputy collector, and reasonable notice shall be given to the collector or deputy collector of the time fixed for taking the same.

Provided further, That no penalty shall be assessed upon any person or corporation, company or association for such neglect or refusal of making or refusing to make a return, or for fraudulent return, except after reasonable notice of the time and place of hearing, to be presented by the collector or deputy collector, and, in case, so as to give the person charged an opportunity to be heard.

And provided further, That any person, corporation, company or association doing business for profit shall make and render to the collector of its collection district a return of its gross profits, exclusive of interest, in every year, beginning with the year 1866, a full return, verified by oath or affirmation, in accordance with the provisions of the act of internal revenue may prescribe, of all the following matters for the whole calendar year last preceding the year for which the return is made:

First—The gross profits of such corporation, company or association, from all kinds of sources, and the gross receipts from all sources.

Second—The expenses of such corporation, company or association, exclusive of interest, and the net profits.

Third—The net profits of such corporation, company or association, without allowance for interest, and the net receipts from all sources.

Fourth—The amount paid on account of interest, annuities and dividends, stated separately.

Fifth—The amount paid in salaries of \$500 or less to each person employed.

Sixth—The amount paid in salaries of more than \$500 to each person employed, and the name and address of each of such persons, and

Books to Be Inspected.

Sec. 56. That it shall be the duty of every corporation, company or association doing business for profit to keep full regular and accurate books of account of all its receipts and disbursements, and all its transactions shall be entered from day to day, in regular order, and whenever a collector or deputy collector of the district in which any corporation, company or association is assessable shall believe that a true and correct return of the income of such corporation, company or association has not been made, he shall have the right to examine the books and of the grounds on which it is founded, and file the same with the commissioner

of internal revenue and the said collector shall be authorized to require any and all parties appearing upon notice given to all parties, conclude there is good ground for such belief, he may require such parties to produce to such collector, company or association so parties, such corporation, company or association, for the inspection of the books of such corporation, company or association to be made, and if such corporation, company or association refuse to comply with such request, then the collector or deputy collector of the district shall make an estimate of the amount of such income and then add 50 per cent thereto, which said assessment shall be the final and last assessment of such income.

Sec. 5. That it shall be the duty of every collector of internal revenue to require the payment of any taxes other than the tax represented by an adhesive stamp or other stamp, and to require the payment of such taxes, in his act, to give to the person making such payment a full written or printed receipt, and to require the collector to make and enter an account for which such receipt is given, and whenever such payment is made such collector shall, if required, give a separate receipt for each tax paid, by any debtor, on account of payments made to or to be made by him to separate creditors. In such form that the collector shall be able to make the same separately to his several creditors in satisfaction of their respective demands to the amount of the tax so paid. The receipt and receipts shall be sufficient evidence in favor of such debtor to justify him in withholding the money so paid from the creditor to whom he owes it to his creditor, but such creditor may, upon giving to his debtor a full written receipt for the amount of the payment of any tax, cause such receipt to be paid, and accepting the amount of tax paid as a full receipt specifying the same as a further satisfaction of his debt to him, and the receipt so returned to him of such collector's receipt.

Extra Tax on Arrivals.
 Sec. 65. The taxes on incomes herein imposed shall be due and payable on or before the first day of January following the close of the year in which the same are annually due and unpaid after the first day of July as aforesaid, and for any year in which the same are not due and unpaid after the first day of July as aforesaid, the collector, there shall be levied in addition hereto the sum of five per cent on the amount of such taxes, and the collector shall collect five per cent per month upon said tax from the time the same becomes due as a penalty, except from the estates of deceased, insane or involuntary persons.

Nonresidents.
 Sec. 66. Any nonresident may also receive the benefit of the exemptions hereinbefore provided for, and the collector of taxes for any district a trustee of all his property and source of income in the United States, and nonresident persons, and the provisions of section 29 of this act, as if a resident. In computing income he shall include all income from every source in the United States, and the United States he shall only pay on that part of the income which is derived from any source in the United States. In the case of a nonresident, in filing such statement, the collector of each district shall collect the tax on the income derived from property situated in his district which is not exempted from taxation, or for exemptions, and all property belonging to such nonresident shall be liable to distraint or seizure for the payment of such taxes. All persons shall be subject to the same laws as to taxes as resident corporations, and the collection of the taxes shall be made in the same manner as provided for collections of taxes against nonresident persons.

ADDITIONAL REQUIREMENTS

The following additional requirements of revenue law are of importance:

Internal Revenue Stamps.

It shall be the duty of every collector of internal revenue, to whom any payment of any tax other than the tax represented by an adhesive stamp or other engraved stamp is made under the provisions of this act, to give to the person making such payment a full written receipt, which receipt shall be stamped paid and the particular account for which such payment was made, and whenever such payment is made such collector shall, if required, give a separate receipt for each tax paid by any debtor, on account of payments made by him to the collector in favor of several creditors, in such form that such debtor can conveniently produce the same separately to his several creditors in satisfaction of their respective demands to the amounts specified in such receipts; and such receipts shall be sufficient evidence in favor of such debtor, to justify him in withholding the amount therein expressed from his next payment to his creditor, but such creditor may, upon giving to his debtor a full, written receipt, acknowledging the payment to him of that amount, make such debtor a receipt for the amount of tax paid as aforesaid specifying the same, as a further satisfaction of the debt to that amount, require the surrender to him of such collector's receipt.

Playing Cards.

and, at Aug. 1, 1884, there shall be collected and paid, by the importer, a tax of one cent upon every pack of playing cards containing not more than 54 cards, manufactured and sold or removed, and so upon every pack in the stock of any dealer, or of any distributor, for the purpose of internal revenue, with the approval of the secretary of the treasury, shall make registration and die stamps.

Goods Made by Convict Labor.

All goods, wares, articles and merchandise manufactured wholly or in part in any foreign country, and imported into the United States, and of any of the ports of the United States, and the importation thereof is hereby prohibited, except as may be authorized by law. The President is authorized to prescribe such regulations as may be necessary for the enforcement of this

Imports of Cigars.

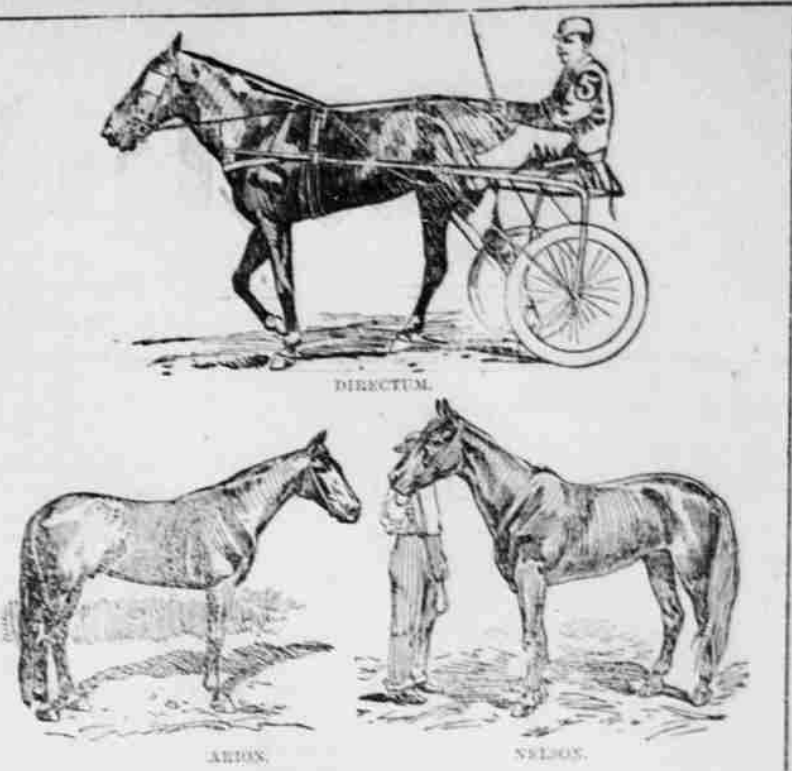
Sec. 2504. No cigars shall be imported un-
der the provisions of the act in boxes of not more
than 100 cigars in each box, and no quantity
of imported cigars shall be allowed of less quantity
than 5,000 in a single package, and all cigars
on importation shall be placed in public
warehouses, and shall not be removed therefrom
until the same shall have been inspected and a
stamp affixed to each indicating such inspection, and also a serial
number to be recorded in the customs
house books, and the Treasury is hereby authorized
to provide the requisite stamps, and to make all necessary regulations
for carrying the above provisions of the law
into effect.

Value of Russian Coin

The value of foreign coins as expressed in the value of amount of the United States shall that of the pure metal of each coin of standard weight and fineness. The value of the circulation of the various nations of the world shall be estimated quarterly by the director of the mint, and the value of the circulation of the treasury immediately after the passage of this act, and thereafter quarterly on the 1st day of January, April, July and October. The director of the mint is proclaimed shall be followed in estimating the value of all foreign merchandise imported into the United States during the quarter for which the value is estimated, and the date of the consular certificate of value of such merchandise. The value of such merchandise as is provided in this section, be considered the date of expiration, provided that the secretary of the treasury may order the relinquishment of any article of merchandise on which no such evidence shall be produced to him showing that the value in United States currency is not more or less than the value proclaimed at the date of certification at least 10 per cent more or less than the value proclaimed at the date of certification in which the consular certification occurred.

An attaché of the Netherlands legation recently persisted in keeping a crowing cock under the bedroom window of a neighbor, and all the power of English law was brought to bear in vain to secure an abatement of the nuisance. The diplomatic privileges of the owner protected him, and he defied his critics. He tortured man explained in court yesterday how he finally triumphed. He could not have lived if the nuisance had continued, and not knowing what to do wrote to the queen of the Netherlands, the gracious young lady did not reply at all, but the offending cock was immediately taken away. In that way a accomplished what the whole law of England could not do for him.—London

Learning From the Fly.
A Russian investigator sends to makers of flying machines information which he gained by observing the ordinary house fly. This insect, he says, beats its wings 30 times per second and travels 40 miles an hour.



DIRECTUM, KING OF STALLIONS.
 Directum proved himself a "king of stallions" indeed at the recent meeting of the New England Trotting Horse Breeders' Association at Mystic Park, Boston. He defeated Nelson, Arion and half a dozen others. Directum's record is 2:30 1-4. He is five years old and is a son of Director.

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Agent for the Hawaiian Islands of the Richard's Lock Nut, which is an ordinary hexagon nut constructed so that it is impossible for the nut to become loose or slack, and fall off the bolt. It costs no more than the ordinary cold pressed iron nut and dispenses with the use of the lock washers, keys and split pins. This nut is now exclusively used on all the principal railroads and street cars lines in the United States. Samples and pamphlets furnished on application to the undersigned.

Application to the Siphon Elevator, which is automatic, for irrigation, city supply, farms, etc. This invention as its name indicates is based upon the principle of the siphon known to the Ancients but it is devised in such a manner as to greatly enlarge the field of application. Used until today only for the drawing off of liquids to a lower level, the siphon now becomes an Automatic Water Elevator, which under favorable conditions is endowed with great powers. In many instances, land situated higher than the irrigation ditch can be irrigated at a nominal expense. The Siphon Elevator is especially adapted for such conditions, as it can elevate the water from the main irrigation ditch to a higher one, while the waste is available for irrigating the lower levels. The siphon elevators are made of brass and iron in sizes ranging in capacity of from two hundred to three million gallons per day.

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